OPSMGT 357 Project Management

Stakeholder Management & Communication Plan

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Class Rep

Course Structure

- **Canvas Structure**

- **Topics we will discuss in Lectures**

Week	Lecture
1	Introduction to Project Management
2	Stakeholder Management, Communication Plan
3	Project Network Diagram
4	Risk Management
5	PERT Analysis
6	Managing Project Teams
	Mid Semester Break- 11 Apr
	Mid Semester Break- 18 Apr
7	**Public Holiday**
8	**Mid Semester Test**
9	Schedule Resource and Cost
10	Reducing Project Duration (Crashing)
11	Progress and Performance Evaluation, Project Closure
12	Wrap up

Today's Learning Objectives

▶ Understand the need to plan out project work and have a broad understanding of the project planning process

▶ Be able to define project boundaries and scope, be able to develop a scope statement

▶ Basic understanding of project time, cost and resource estimation.

▶ Understand the importance and role of stakeholders for managing projects.

▶ Identify project stakeholders and perform a stakeholder analysis

▶ Understand the importance of project communication plan

▶ Design a communication plan (what, for whom, when, how, who) for a project

▶ The logic behind different task types in the MS project

Planning

▶ You cannot have CONTROL on your project, unless you have a plan, PLANNING is NOT optional.

• What must be done?

• How should it be done?

• Who will do it?

• By when must it be done?

• How much will it cost?

• How good does it have to be?

Project Planning Steps

▶ Define the problem to be solved by the project

▶ Develop major objectives

▶ Write a scope statement to define the project boundaries

▶ Develop a WBS

▶ Estimate activity durations, resource requirement and costs

▶ Create the project plan

▶ Get all stakeholders to sign off on the plan.

Project Planning Steps: Project Objectives

Problem statement

- Every project solves a problem of some kind

Project objectives

- Project objectives must be SMART and clearly describe the goal of the project

- It may be useful to consider "Must" objectives as well as " Want" objectives

Characteristics of Objectives

S   Specific   Be specific in targeting an objective

M   Measurable   Establish a measurable indicator(s) of progress

A   Assignable   Make the objective assignable to one person for completion

R   Realistic   State what can realistically be done with available resources

T   Time related State when the objective can be achieved, that is, duration

S   M   A   R   T

Exercise: What Is Wrong?

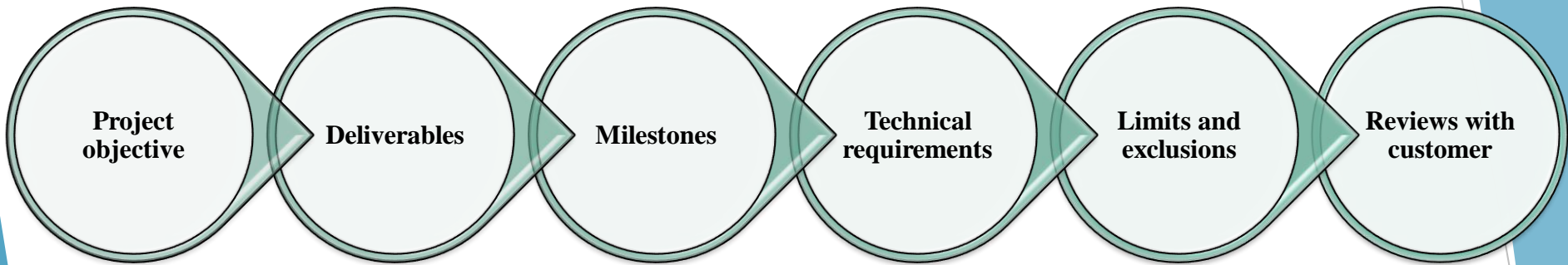| Objectives that are not SMART	SMART Objectives
• Conduct as many sales calls as possible as soon as possible.	• Complete at least 25 cold calls to qualified prospects by September 1, 2010.
• Sell as many Waffle Wraps as possible this year.	• Increase sales of Waffle Wraps to chain grocery stores by 8% over last year by December 31, 2010.
• Convert some leads every day so that you always have new customers.	• Convert 33% of leads to customers within 30 days of initial contact.
• Follow up with every prospect and customer after a sales call.	• Follow up with every prospect and customer within 48 hours of sales call.

Objectives – MUST vs. WANT

Usually, an organisation has a whole list of objectives. If those objectives are ranked as 'Must' vs. 'Want' then each project can target a specific sub-set

▶ **'Must' objective(s)** – each project must be designed so that it will meet this objective(s) with their project outcome

▶ **'Want' objective(s)** – these objective might even be ranked within themselves; each project should try to choose as many as feasible and as high in ranking of these objectives to meet with their project outcome
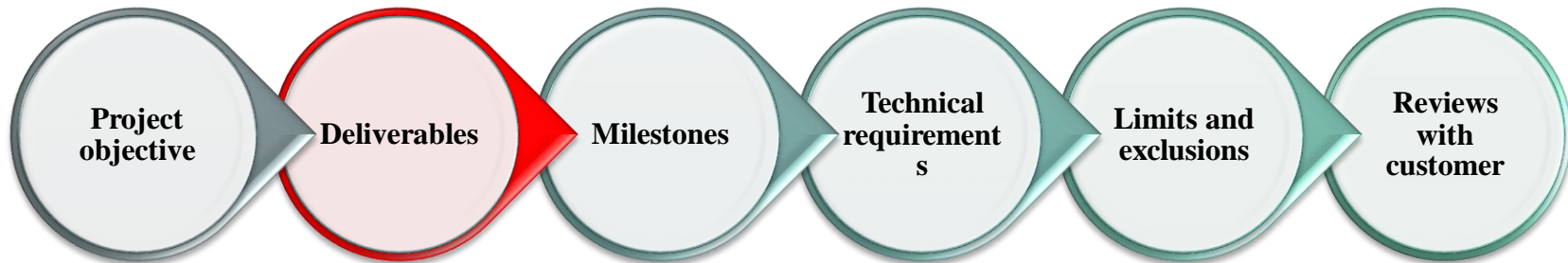
Assume that completing OPSMGT357 is one of your personal projects, What are your "Must" and "Want" objectives?

Project Planning Steps: Scope Statement

Project Scope checklist

Project Planning Steps: Scope Statement

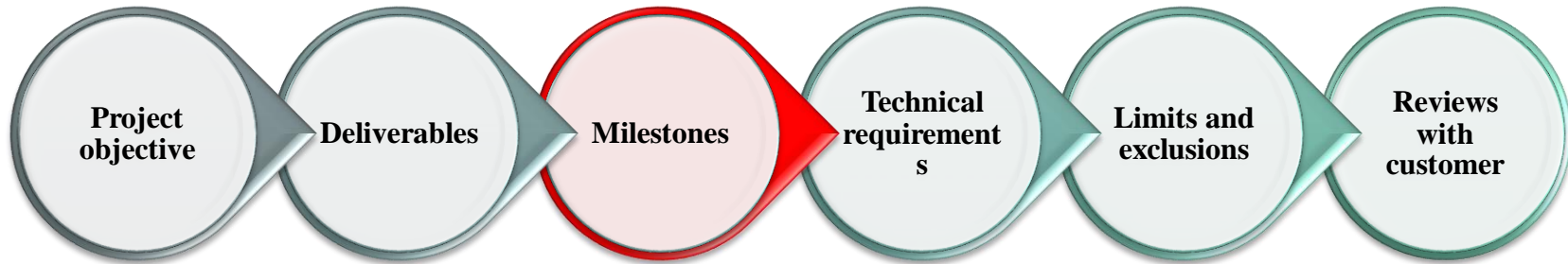| Project objective | Deliverables | Milestones | Technical requirements | Limits and exclusions | Reviews with customer |

Deliverables are the expected output over the life of the project.

For example, deliverables for new software development project:

- In early design phase: a list of specifications

- In the second phase: it could be software coding

- In the third phase: it could be to test prototype

- In the final phase: it could be final test and approval

Project Planning Steps: Scope Statement

| Project objective | Deliverables | Milestones | Technical requirements | Limits and exclusions | Reviews with customer |

- Milestone is a significant event in a project that occurs at the point in time

- The milestone schedule shows only major segments of work

- Important control points in the project

Milestone Example in MSP
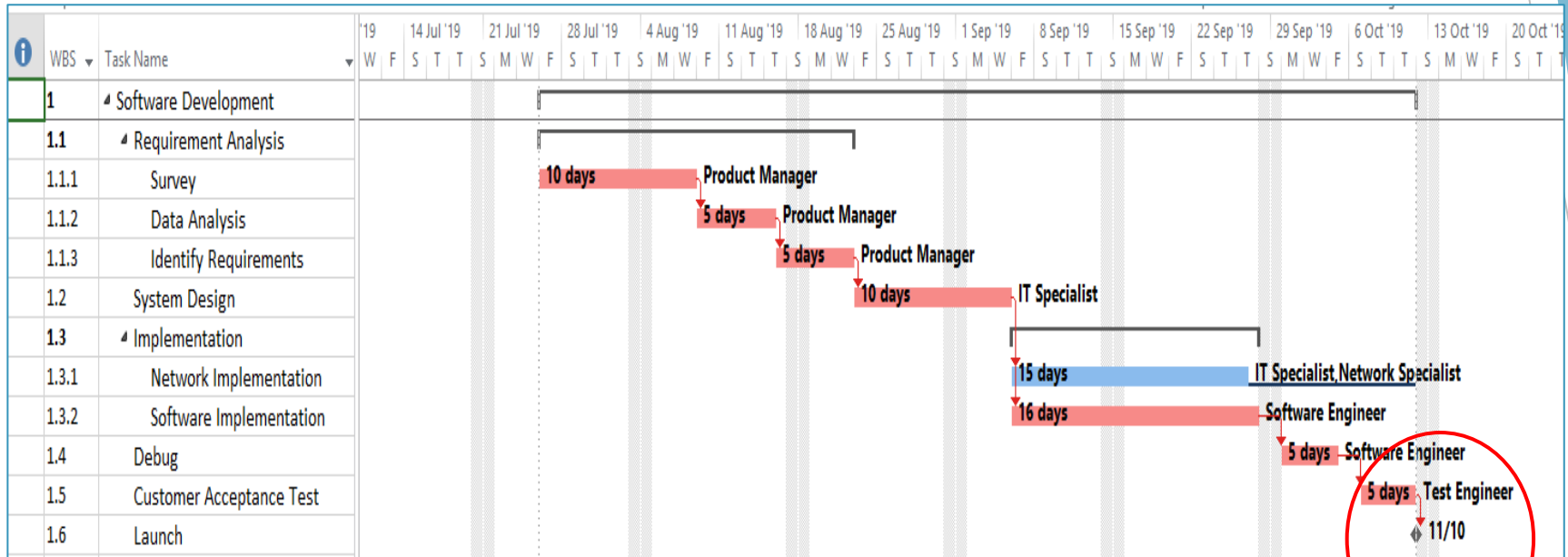
Example: Scope Statement

Example: Scope Statement

Project: Construction of a house	
Objective	To construct a high-quality, custom home within 12 months at cost not to exceed $500,000.
Deliverables	• A 1,200-square-foot, 2-bath, 3-bedrooms, finished home. • A finished insulated garage. • Kitchen appliances to include oven, microwave, dishwasher, and refrigerator
Milestones	• Permits approved—March 5 • Foundation poured—March 14 • Drywall in. Framing, sheathing, plumbing, electrical, and mechanical inspections passed—May 25 • Final inspection—June 7
Technical requirements	• Home must meet local building codes. • Garage will accommodate two large-size cars • All windows and doors must pass Standard Energy Ratings
Limits and exclusions	• Site work limited to Monday through Friday, 8:00 A.M. to 5:00 P.M. • Contractor responsible for subcontracted work.
Customer review	• Mahsa Boroushaki

Exercise: Scope Statement

You are sitting around the fire at a lodge in Dillingham, Alaska, discussing a fishing expedition you are planning with your colleagues at Great Alaska Adventures (GAA). Earlier in the day you received a fax from the president of BlueNote, Inc. The president wants to reward her top management team by taking them on an all-expense-paid fly-fishing adventure in Alaska. She would like GAA to organize and lead the expedition from June 21 to 25. Develop a scope statement for this project that contains examples of all the elements.

Exercise: Alaska Fly-Fishing Expedition

Project: Alaska Fly-Fishing Expedition	
Objective	To organize and lead a five-day fly-fishing expedition down the Tikchik River system in Alaska from June 21 to 25 at a cost not to exceed $27,000.
Deliverables	• Provide air transportation from Dillingham, Alaska, to Camp I and from Camp II back to Dillingham. • Provide river transportation consisting of two eight-man drift boats with outboard motors. • Provide three meals a day for the five days spent on the river. • Provide four hours fly-fishing instruction. • Provide overnight accommodations at the Dillingham lodge plus three four-man tents with cots, bedding, and lanterns. • Provide four experienced river guides who are also fly fishermen. • Provide fishing licenses for all guests.
Milestones	• Contract signed January 22. • Guests arrive in Dillingham June 20. • Depart by plane to Base Camp I June 21. • Depart by plane from Base Camp II to Dillingham June 25.

Exercise: Alaska Fly-Fishing Expedition

| **Project: Alaska Fly-Fishing Expedition**	
Technical requirements	• Fly in air transportation to and from base camps. • Boat transportation within the Tikchik River system. • Digital cellular communication devices. • Camps and fishing conform to state of Alaska requirements.
Limits and exclusions	• Guests are responsible for travel arrangements to and from Dillingham, Alaska. • Guests are responsible for their own fly-fishing equipment and clothing. • Local air transportation to and from base camps will be outsourced. • Tour guides are not responsible for the number of King Salmon caught by guests.
Customer review	• The president of BlueNote, Inc.

Project Planning Steps: Develop a WBS

WBS	Task Name
CP1	**◢ Build a Sports Complex**
CP1-1	**◢ Secure funding**
CP1-1.1	Write funding proposa
CP1-1.2	Seek sponsors
CP1-1.3	Sign funding agreeme
CP1-2	**◢ Choosing a site**
CP1-2.1	Search Internet for lan
CP1-2.2	Contact real-estate ag
	g various sites
CP1-2.4	Select the site
CP1-3	**◢ Building activities**
CP1-3.1	**◢ Building sports fiel**
	Site preparatio
	Do site shaping
CP1-3.1.2	Build field
CP1-3.1.3	Test field / WOF &
CP1-3.2	**◢ Building facilities**
CP1-3.2.1	Dig building founda
CP1-3.2.2	Build changing roo
CP1-3.2.3	Install power & wa
CP1-3.2.4	Test building / WOF
CP1-4	**◢ Staff training**
CP1-4.1	Recruit staff
CP1-4.2	Train site staff
CP1-4.3	Qualify sports trainers
CP1-6	**Project Complete**

[FIGURE 7-1]

WBS DIAGRAM TO CLEAN A ROOM
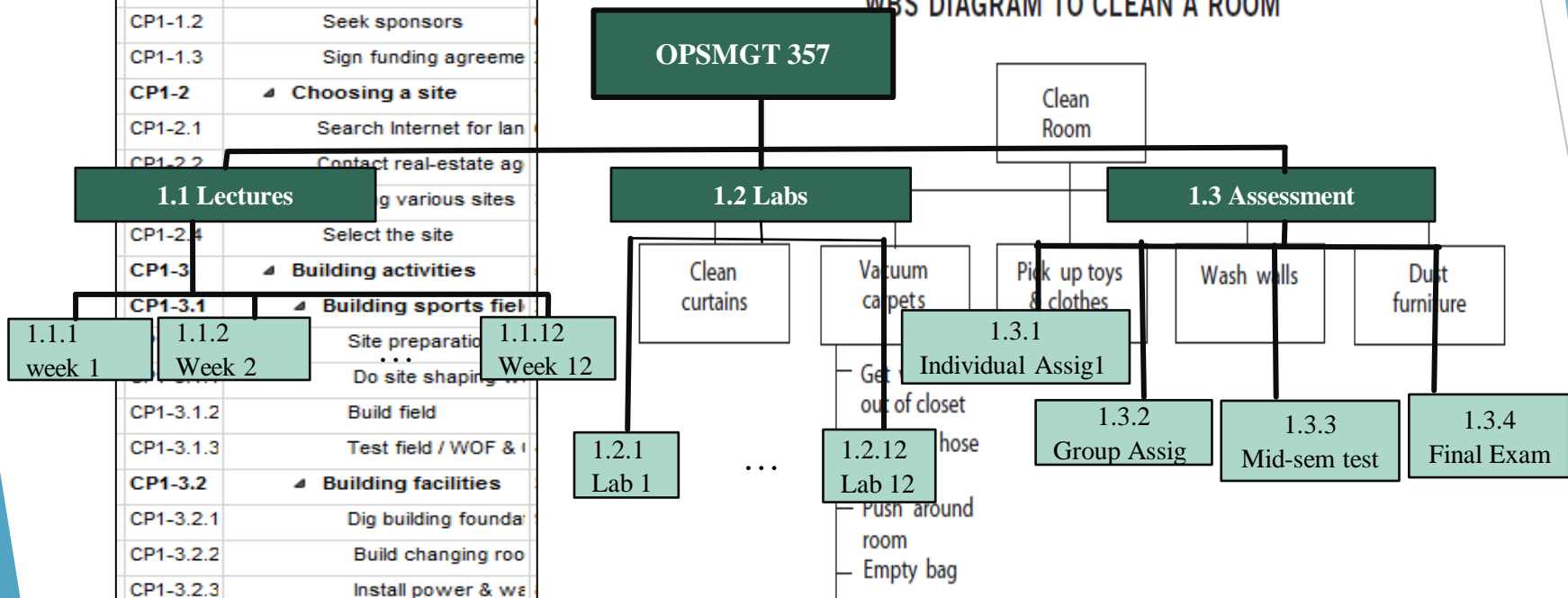
Project Planning Steps: Estimate Resource and Cost Requirements
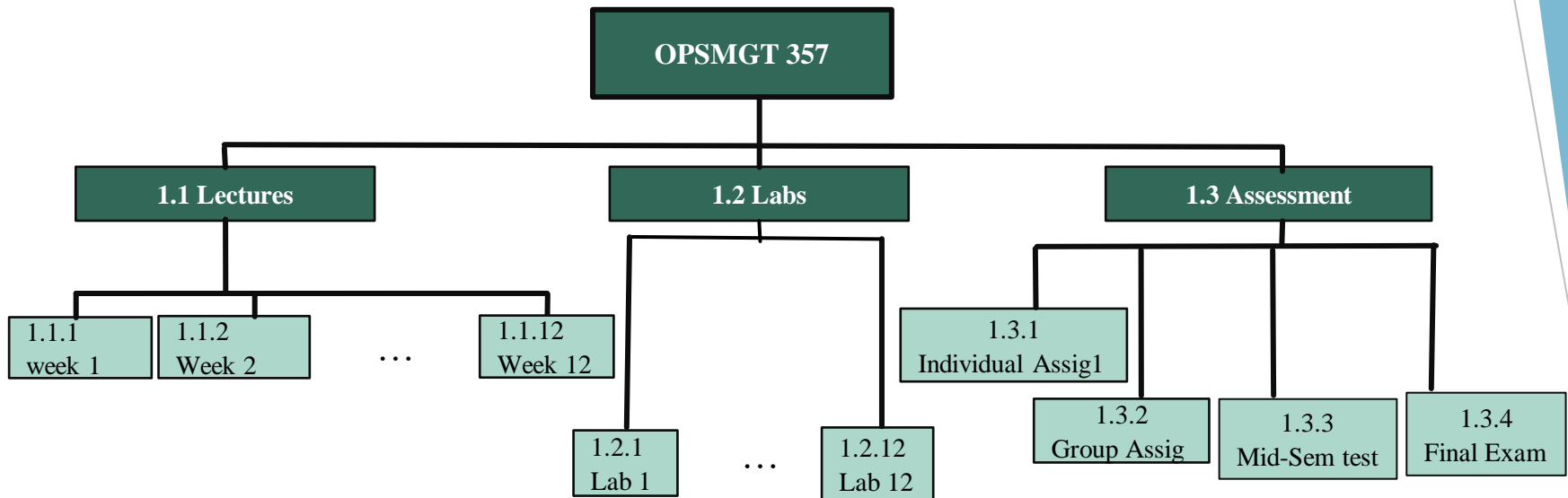
Estimating Guideline for Time, Cost and Resources

▶ At the work package level, estimates should be made by the person(s) most familiar with the task. They will give an estimate based on experience and best judgment.

▶ Cost or time estimate usually has a better chance of being reasonable and realistic when several people with relevant experience and knowledge of the task are used.

▶ Estimates should be based on normal conditions, and a normal level of resources. Specific time units should be selected for all tasks.

Project Planning Steps: Stakeholders

Once the plan has been prepared it should be submitted to stakeholders for their signatures.
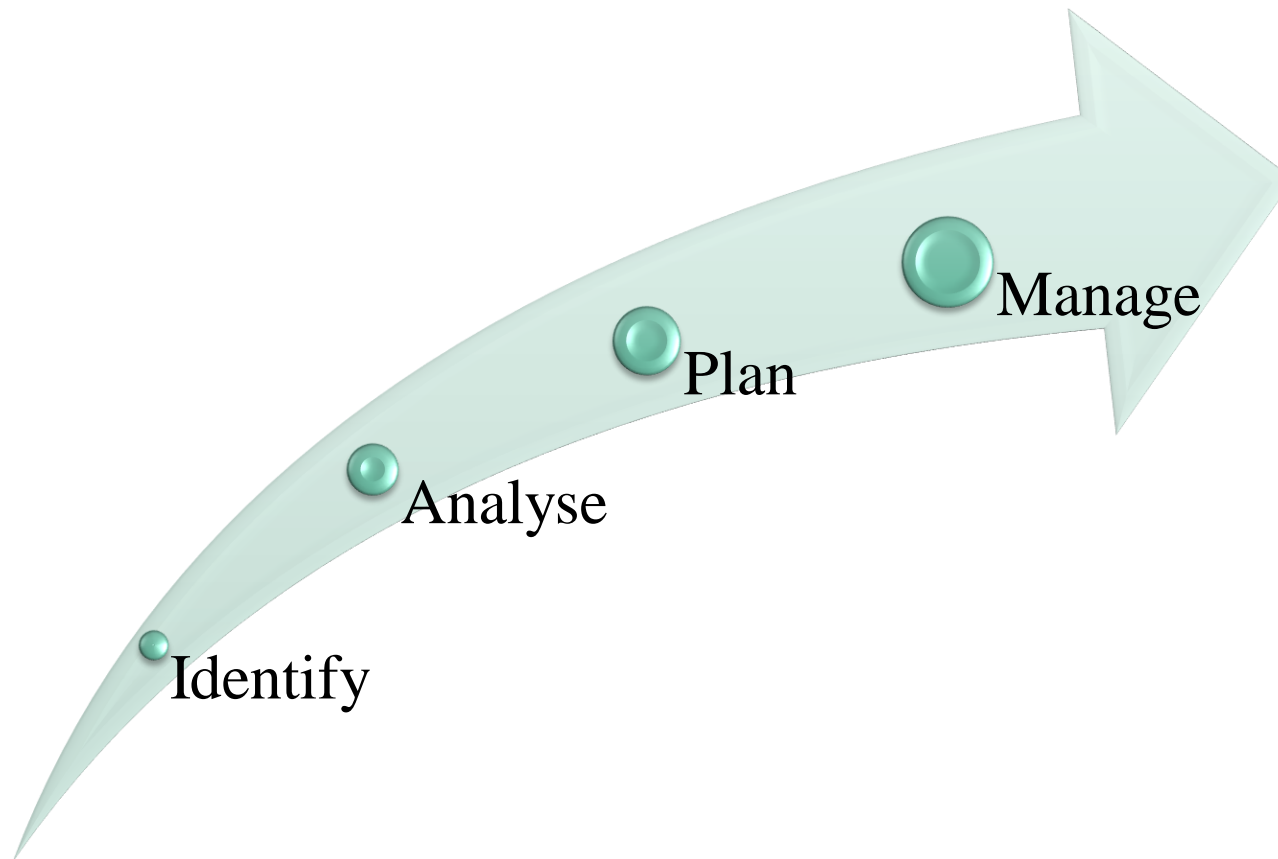
▶ **Who is stakeholder?**

PMI defines a stakeholder as:

"Individual, group, or organization, who may be affected by, or perceive itself to be affected by, a decision, activity, or outcome of the project "

▶ **Why should we manage stakeholders?**

Stakeholder Management Process

Stakeholder management is about getting the right people, in the right place at the right time, doing the right things

Manage

Plan

Analyse

Identify

Stakeholder Management Process: Identification

Identifying stakeholders by asking three basic questions:

- Who benefit from the project?

- Who contribute to the project?

- Who is impacted by the project?

For example:

- Project manager

- Project team

- Project sponsor

- Customers

- Government agencies

Stakeholder Management Process: Analyzing

Questions to consider when assessing stakeholders are:

▶ How will they be affected by the work?

▶ Will they be openly supportive, negative or ambivalent?

▶ What are their expectations and how can these be managed?

▶ Who and/or what influences the stakeholder's view of the project?

▶ Who would be the best person to engage with the stakeholder?

This analysis is used to develop a communication management plan.

Stakeholder Management Process: Analyzing
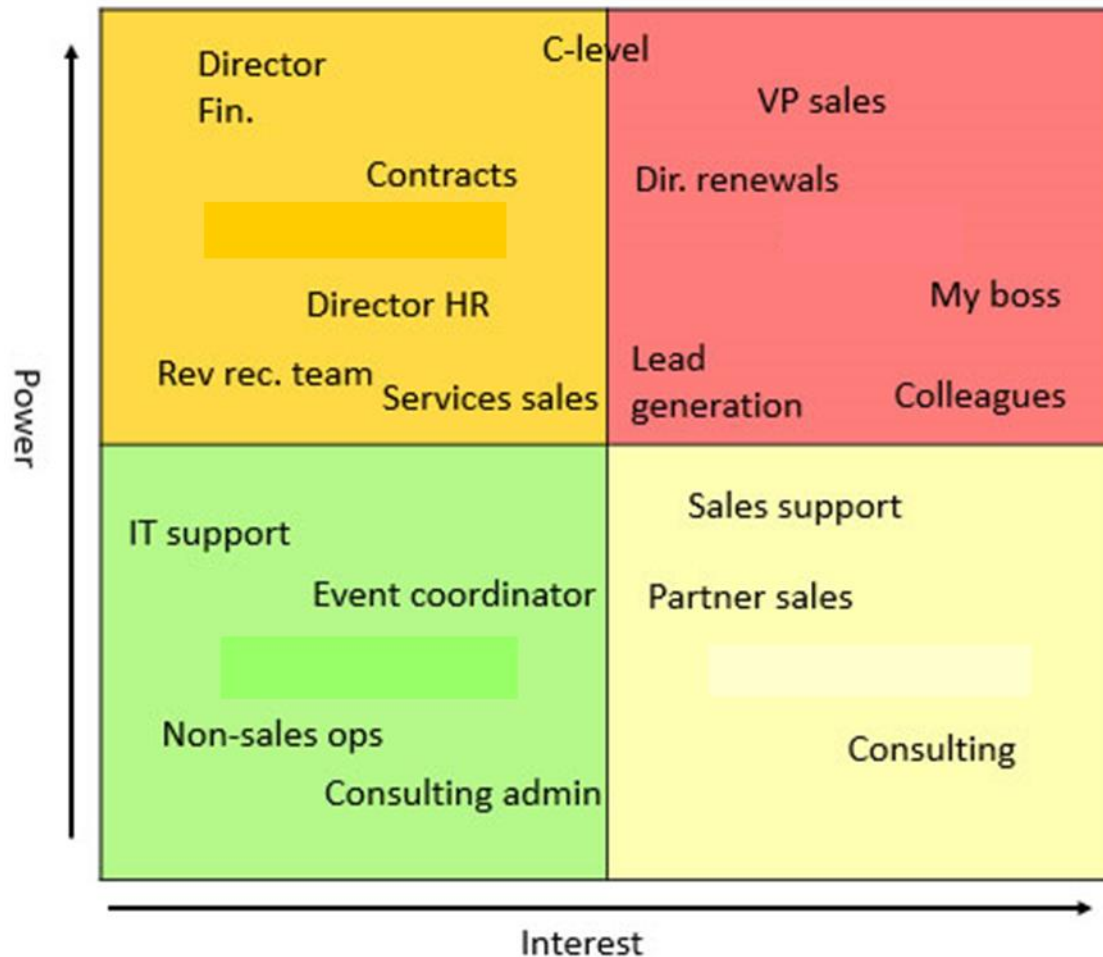
Stakeholder Management Process : Management
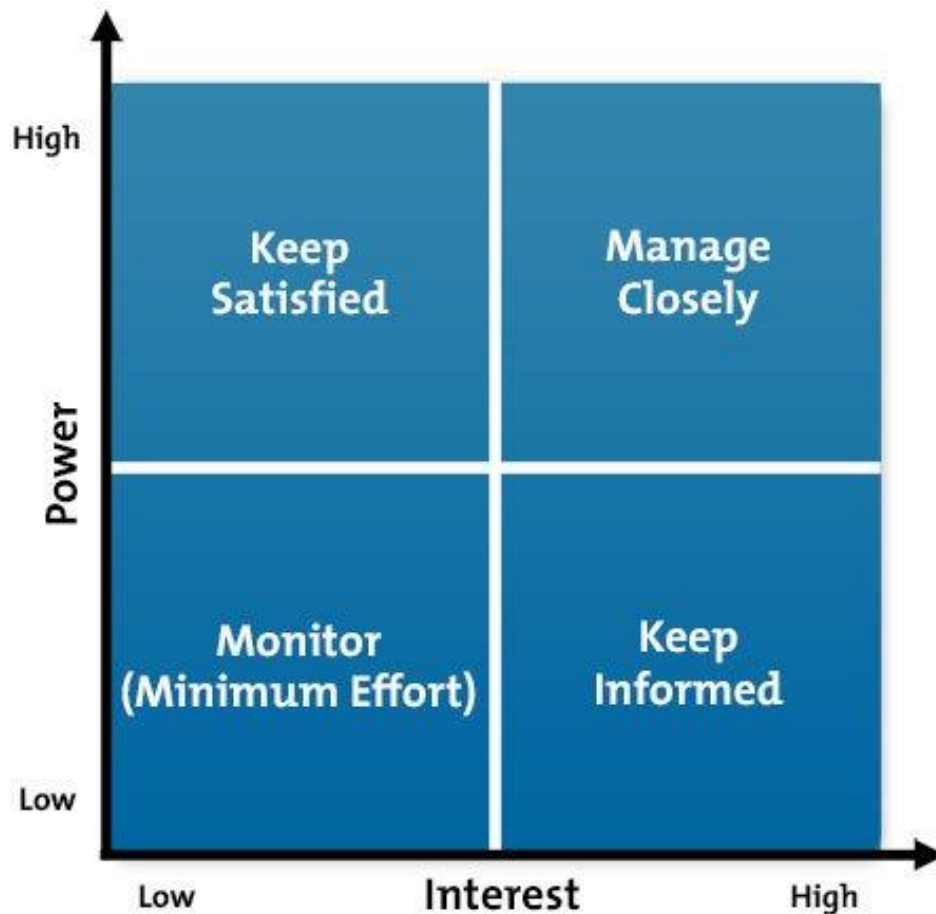
Management Strategies: High Power, High Interest

Positive

➢ Provide information to maintain their support

➢ Consult with them prior to taking project decisions

➢ Meet with them regularly

➢ Consult with them, involve them and seek to build their confidence in the project and the team

➢ Encourage them to act as advocates for the project

➢ Nurture them, look after them, they are critically important to you and to the project
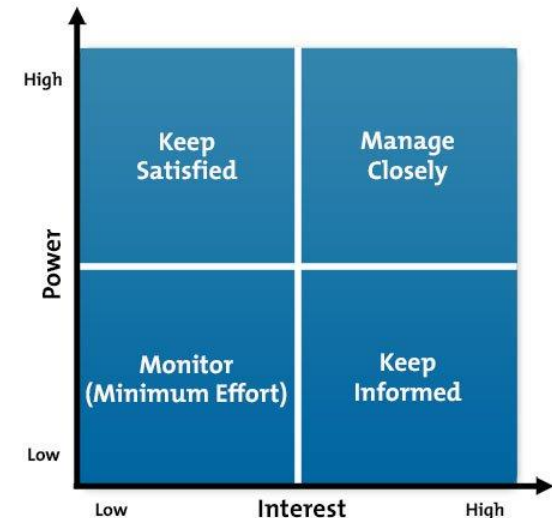
Negative

➢ Attempt to develop their support and change their view by ensuring they fully understand the project and the benefits it will deliver. Their resistance maybe due to lack of information or understanding.

➢ Attempt to build their confidence in you and in the team.

➢ Find out what is important to them, if you can help them out or minimize negative impact on them, they may be more helpful.

➢ Demonstrate that you are doing your best to limit adverse effects on them.

➢ Counter any negative influence they may have on others.

Management Strategies: High Power, Low interest

▶ The high power, low interest group are the unexploded bombs

▶ Do not suddenly increase the level of negative interest.

▶ Find out what is important to these groups and make sure that the project does not adversely affect this. If the project is likely to have a positive effect for them make sure they are aware.

▶ Beware of other negative stakeholders passing information to this group to encourage them to oppose the project.
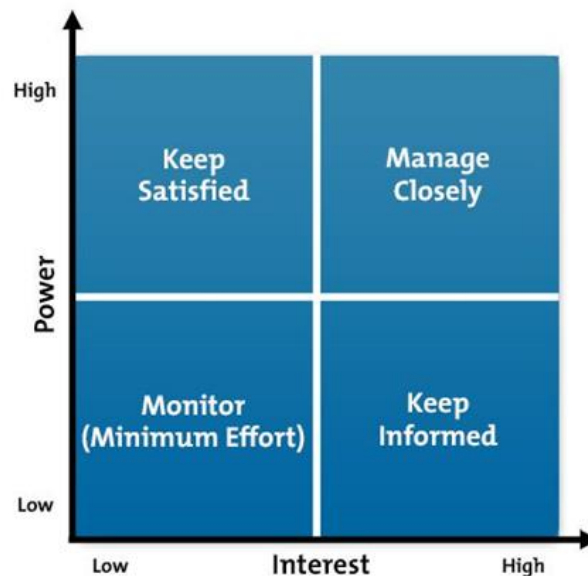
Management Strategies: High Interest, Low Power

Positive

➢ Maintain their enthusiasm and interest in the project, they are good allies to have.

➢ Provide them with information, invite them to presentations, involve them as much as resources allow. This can be done fairly cheaply through a project website, newsletter or open presentations.

➢ Seek their input and opinion if you can, they will be flattered by this, but ensure that you do not get too many opinions.
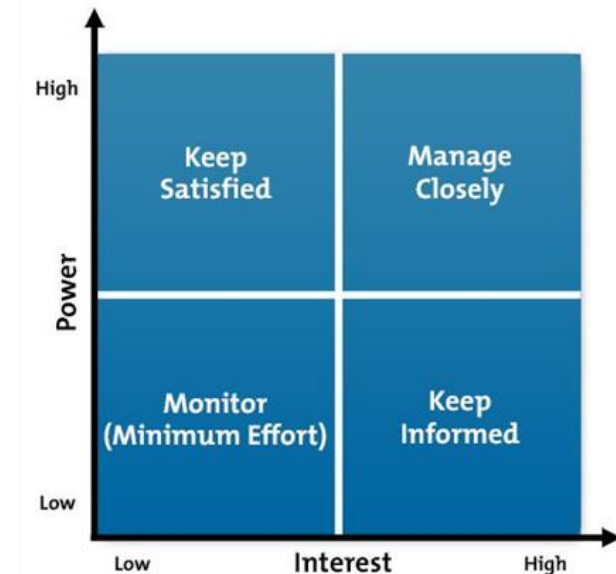
Negative

➢ This is a group that you will probably know all too well, because of their high level of interest they will probably deluge you (or your client) with e-mails and other correspondence. You need to be sure that you do not spend too much time on them, remember their power is low.

➢ You may need to get the project sponsor or client representative to take a firm line with them they can use a lot of time and resource.

Management Strategies: Low Power, Low Interest

▶ Make sure you don't spend too much time on them but if they are supportive provide them with information and be nice to them, their position or view may change in the future

▶ Ensure they receive the project newsletter, have access to a project website or are invited to presentations.
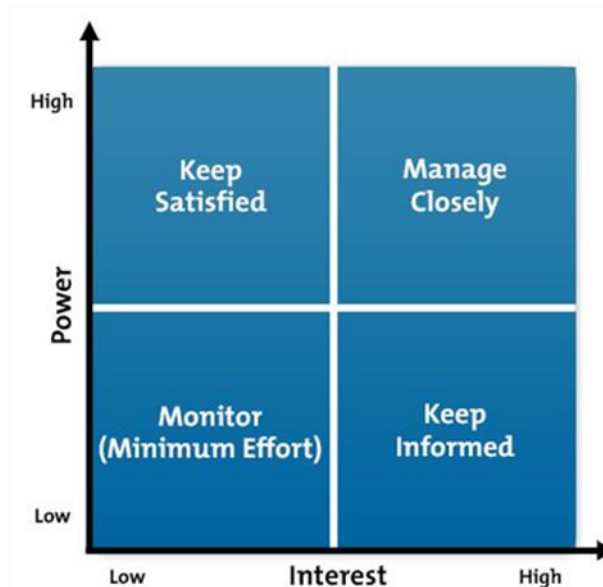
Exercise: Stakeholder Mapping And the Power/Interest Matrix

Project: Lund, Sweden, a housing project consisting of 60 apartments

Read the project scenario and map the relevant stakeholders into the power/interest matrix for each phase.

Exercise: Stakeholder Mapping And the Power/Interest Matrix

The initial stakeholder analysis of the project identified six major stakeholder groups.

1. **The real estate developer** and their project managers.

2. **The Municipality**, which was interested of how this development would affect the community as a whole, and in addition was responsible for the formal planning process.

3. **Interest groups** for senior citizens, since the project was targeted at senior citizens as the future tenants.

4. **The residents in the vicinity of the project**, who were concerned about how the project would affect their living environment.

5. **The National Government**, that acted as the last instance of appeal in the formal planning process.

6. **Interest groups** for the preservation of the cultural and historical image of the city.
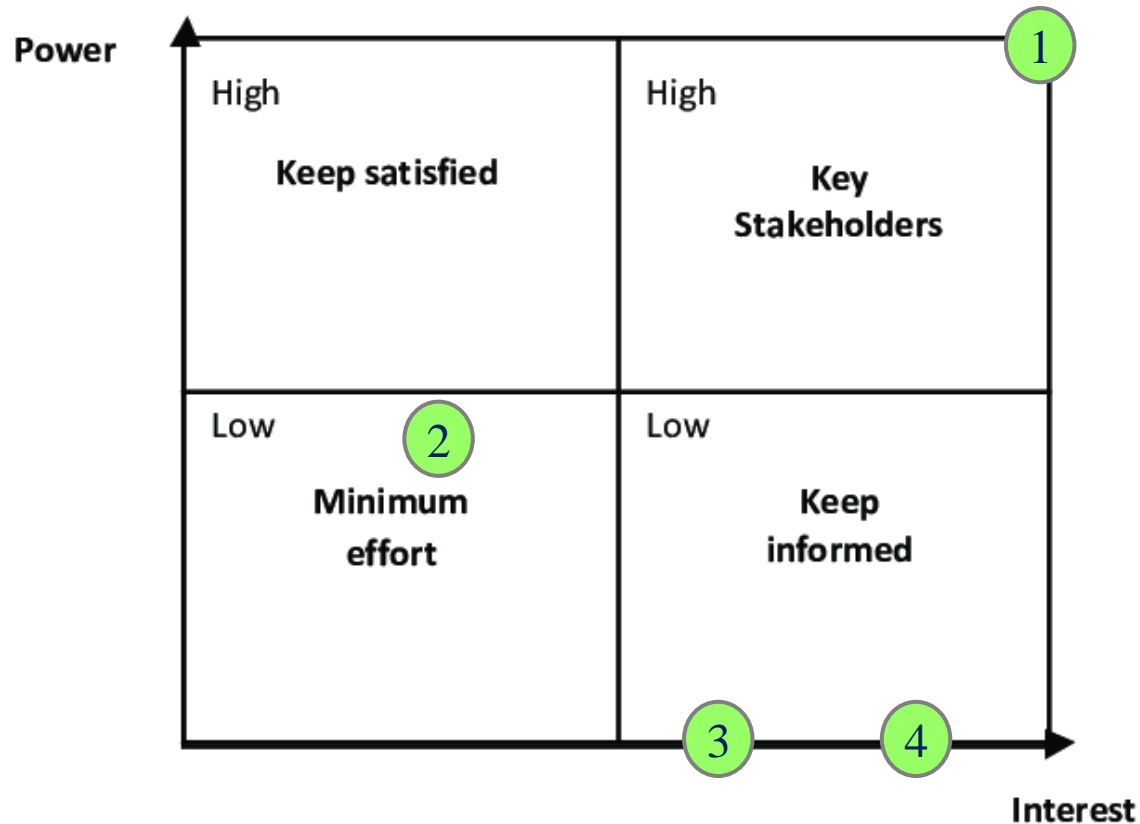
Exercise: Stakeholder Mapping And the Power/Interest Matrix

▶ **Phase1: The feasibility and conceptual design stage (1988–1990)**

✓ In 1988 a plan to build a 12-storey hotel was rejected by the municipality.

✓ A real estate developer purchased the property in 1989.

✓ The real estate developer developed a project of two 9-storey apartment buildings for senior citizens.

✓ The municipality and the interest groups for senior citizens had a positive attitude, mainly because there was a need for new housing in the community.

✓ The real estate developer met a strong opposition from the residents in the vicinity.

✓ In spite of the neighbors opposition the real estate developer pursued the project and together with the municipality began to work on a local community plan for the project.

Map the relevant stakeholders into the power/interest matrix.

Exercise: Stakeholder Mapping And the Power/Interest Matrix

1. The real estate developer 2. The Municipality 3. Interest groups for senior citizens 4. The residents in the vicinity of the project 5. The National Government 6. Interest groups for the preservation of the cultural and historical image

Exercise: Stakeholder Mapping And the Power/Interest Matrix

▶ **Phase2: The formal planning stage (1990–1992)**

✓ The height of the buildings was the key issue.

✓ The residents in the vicinity acted forcefully in an attempt to stop the project.

✓ At this stage another influential, and opposing, group interested in preserving the cultural and historical image of the city came on to the scene.

✓ In spite of the growing concerns about the negative aspects of the project, the municipality still believed that the positive aspects outweighed the negative.

✓ The future tenants, represented by the interest groups for senior citizens argued for the need of the project, and supported the views of the real estate developer.

Map the relevant stakeholders into the power/interest matrix.

Exercise: Stakeholder Mapping And the Power/Interest Matrix

1. The real estate developer 2. The Municipality 3. Interest groups for senior citizens 4. The residents in the vicinity of the project 5. The National Government 6. Interest groups for the preservation of the cultural and historical image

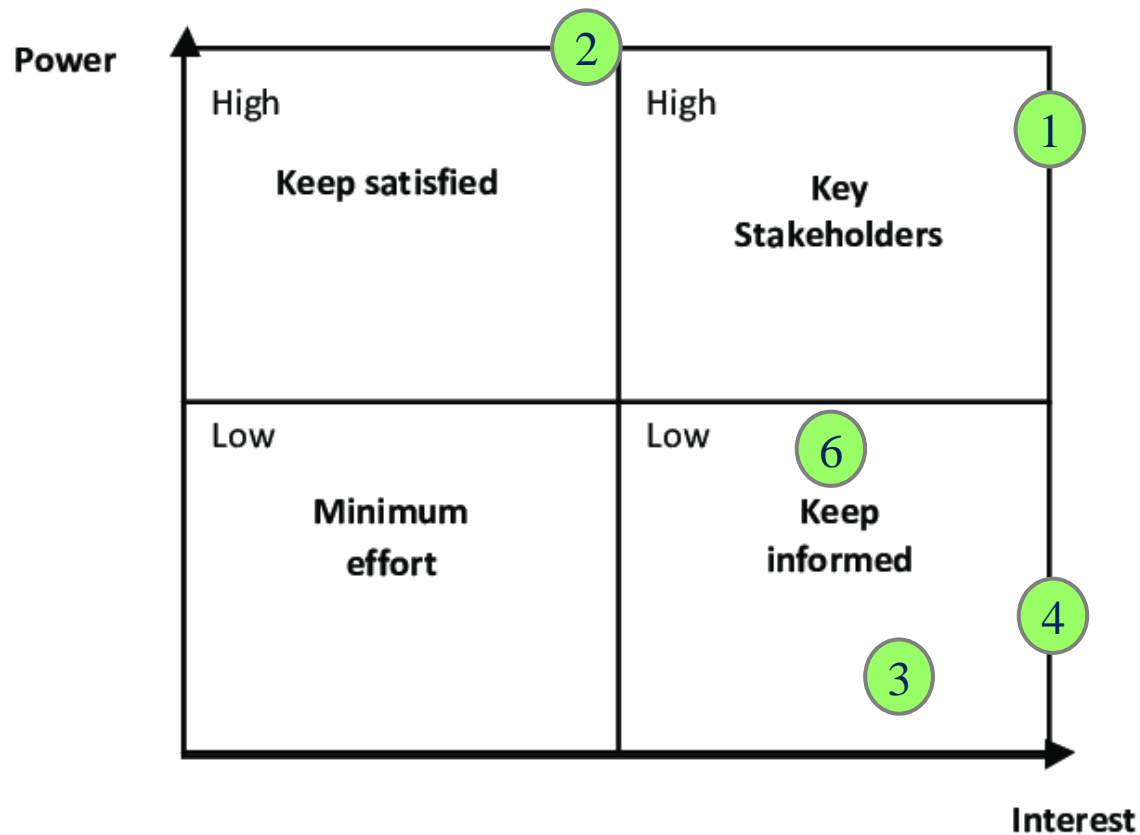# Exercise: Stakeholder Mapping And the Power/Interest Matrix

▶ **Phase3: The stage of appeals (1992–1993)**

✓ After the local community plan had been approved by the municipality the residents in the vicinity appealed against the decision.

✓ The appeal was rejected in the first instance, and the residents appealed again to the second and last instance of appeal, the National Government.

✓ The National Government strongly questioned the suitability of the project and grounds were found to approve the appeal.

✓ The municipality made changes to the plan at a late stage of the planning process, without displaying the change publicly, which for the National Government, was a sufficient reason to reject the local community plan, and thus the project.

✓ The real estate developer was thus forced to present a totally revised proposal.

Map the relevant stakeholders into the power/interest matrix.

Exercise: Stakeholder Mapping And the Power/Interest Matrix

1. The real estate developer 2. The Municipality 3. Interest groups for senior citizens 4. The residents in the vicinity of the project 5. The National Government 6. Interest groups for the preservation of the cultural and historical image
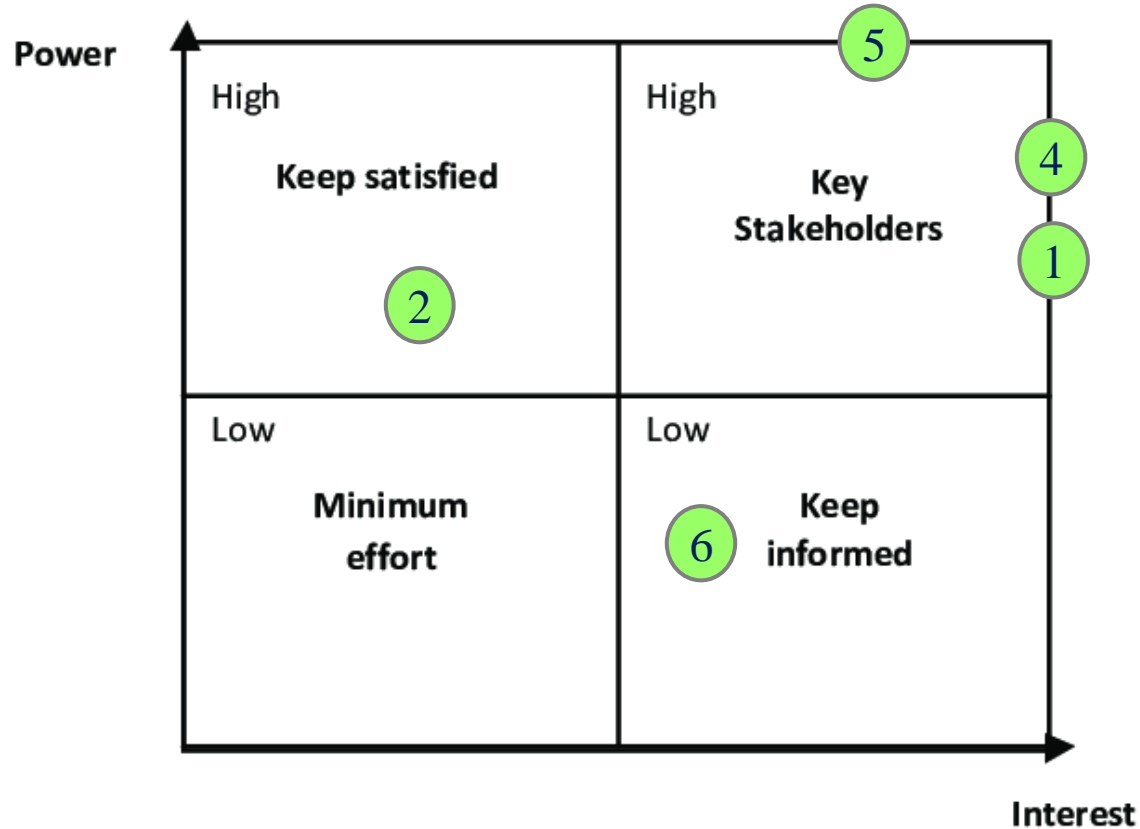
Exercise Conclusion

✓ Sometimes one stakeholder group could use another in order to extend their power base (This was evident in the relation between the residents in the vicinity and the National Government).

✓ Clearly define all the positive and negative arguments about the chosen alternative in relation to the other alternatives investigated, in order to be regarded as trustworthy by those stakeholders who are negatively affected by the project.

✓ The stakeholders base of influence is not static. The stakeholder analysis must be conducted and updated during the entire life cycle of the project, with the purpose of gaining knowledge about the potential influence various stakeholders have at different stages of the project.

✓ Prior to any major decision to proceed into a new phase of the project an analysis of how the decision affects the different stakeholders should be made in order to be proactive in the stakeholder management process.

Stakeholder Management Process : Communication Plan

▶ Communications with stakeholders who have high levels of interest and influence will be managed differently from those with stakeholders of low interest and influence. Similarly, communications with stakeholders who are inherently positive about the work will be different from those with stakeholders who are negative.

▶ As a dynamic document, the communication management plan must link to other plans such as the risk management plan and key milestones within the schedule.

▶ Stakeholder management becomes more complex when stakeholders' views, roles or allegiances, etc. change throughout the life cycle. For that reason, the stakeholder management steps must be repeated throughout the life cycle.

Project Communications Plan

An important issue for a project management team is to identify those stakeholders who can affect the project, and then manage their differing demands through good communication in the early stages of a project. In the housing project in Lund various stakeholder groups have influenced project decisions beyond the control of the project management team.

Project Communications Plan

A typical format for a project communications plan is given below. On a large project this helps define clarity of communication routes and ensure consistency.

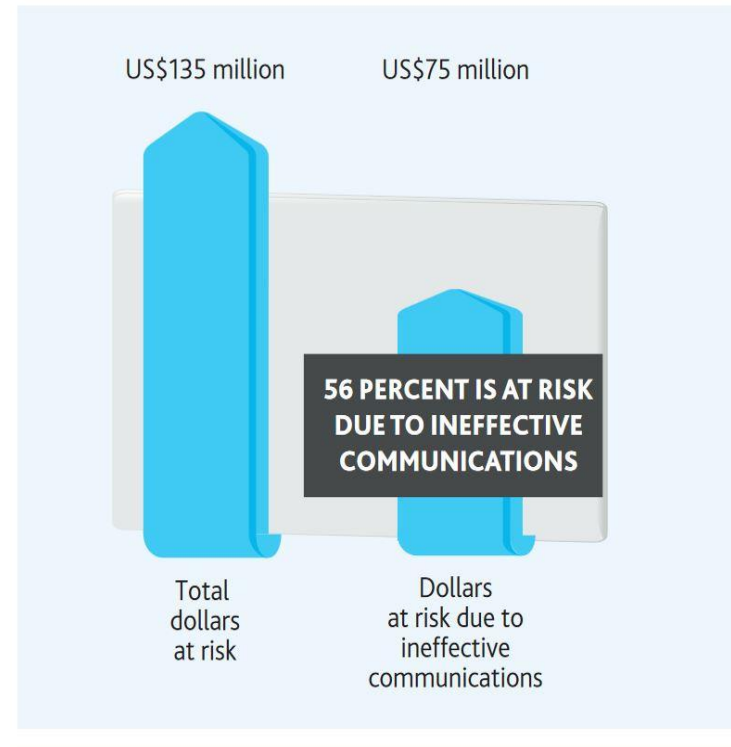| Stakeholder	Reason for consultation/ communication	Their interest	What information	When?	Method of communication	Owner/ Provider

Example: Project Communications Plan

What Information

Milestone report
Time/cost report
Risk report
Issues
Team meeting times
Outsourcing perform

Change requests

Stage gate decisions

What Information	Target Audience	When?	Method of Communication	Provider
Milestone report	Senior management and project manager	Bimonthly	E-mail and hardcopy	Project office
Project status reports & agendas	Staff and customer	Weekly	E-mail and hardcopy	Project manager
Team status reports	Project manager and project office	Weekly	E-mail	Team recorder
Issues report	Staff and customer	Weekly	E-mail	Team recorder
Escalation reports	Staff and customer	When needed	Meeting and hardcopy	Project manager
Outsourcing performance	Staff and customer	Bimonthly	Meeting	Project manager
Accepted change requests	Project office, senior mgmt., customer, staff, and project mgr.	Anytime	E-mail and hardcopy	Design department
Oversight gate decisions	Senior management and project manager	As required	E-mail meeting report	Oversight group or project office

Project Communications Plan

➢ Lack of effective communication dramatically increases the risk projects face and the likelihood that they will fall short.

➢ Of the US$135 million at risk on every US$1 billion spent on projects, US$75 million—more than half—is on the line because of poor communication.

Source: PMI, 2013

US$135 million   US$75 million

56 PERCENT IS AT RISK DUE TO INEFFECTIVE COMMUNICATIONS

Total dollars at risk

Dollars at risk due to ineffective communications
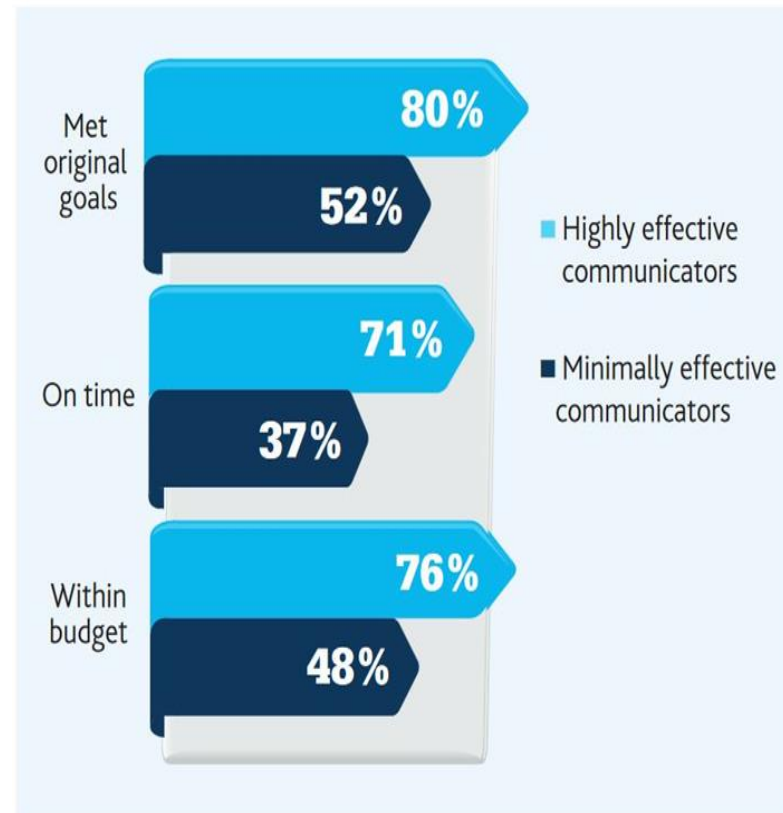
Source: ©2013 Project Management Institute, Inc. *Pulse of the Profession In-Depth Report: The High Cost of Low Performance: The Essential Role of Communications*, May 2013. PMI.org/Pulse

Project Communications Plan

➢ One out of five projects is unsuccessful due to ineffective communications

➢ High performers create formal communication plans for nearly twice as many of their projects (compared to poor performers)

Source: PMI, 2013

Met original goals — 80% — 52%

On time — 71% — 37%

Within budget — 76% — 48%

■ Highly effective communicators
■ Minimally effective communicators

Source: ©2013 Project Management Institute, Inc. *Pulse of the Profession In-Depth Report: The High Cost of Low Performance: The Essential Role of Communications*, May 2013. PMI.org/Pulse

Example: Stakeholder Analysis Matrix

Stakeholder Name	Contact Person *Phone, Email, Website, Address*	Impact *How much does the project impact them? (Low, Medium, High)*	Influence *How much influence do they have over the project? (Low, Medium, High)*	What is important to the stakeholder?	How could the stakeholder contribute to the project?	How could the stakeholder block the project?	Strategy for engaging the stakeholder
EXAMPLE Nurses & Midwives Union	Carlos Davida cdavida@nu.org 0998 765 287	High	High	Maintaining working conditions for nurses	Agree for union members to implement the new reforms	Going on strike	Monthly round-table discussions
Patient Advocacy Group	Viki Chan vchan@pag.org 888 587 101	High	Medium	Maximising quality of care for patients	Communicate with other stakeholders to express their support for reforms	Making complaints about quality of service after the reports	Information and feedback meetings every 6 months
Sunday Times Newspaper	Jane Smith jsmith@stn.com 888 587 101	Low	High	Getting a good story	Print stories that support the new reforms	Printing stories that oppose the new reforms	Quarterly press meetings

Microsoft Project
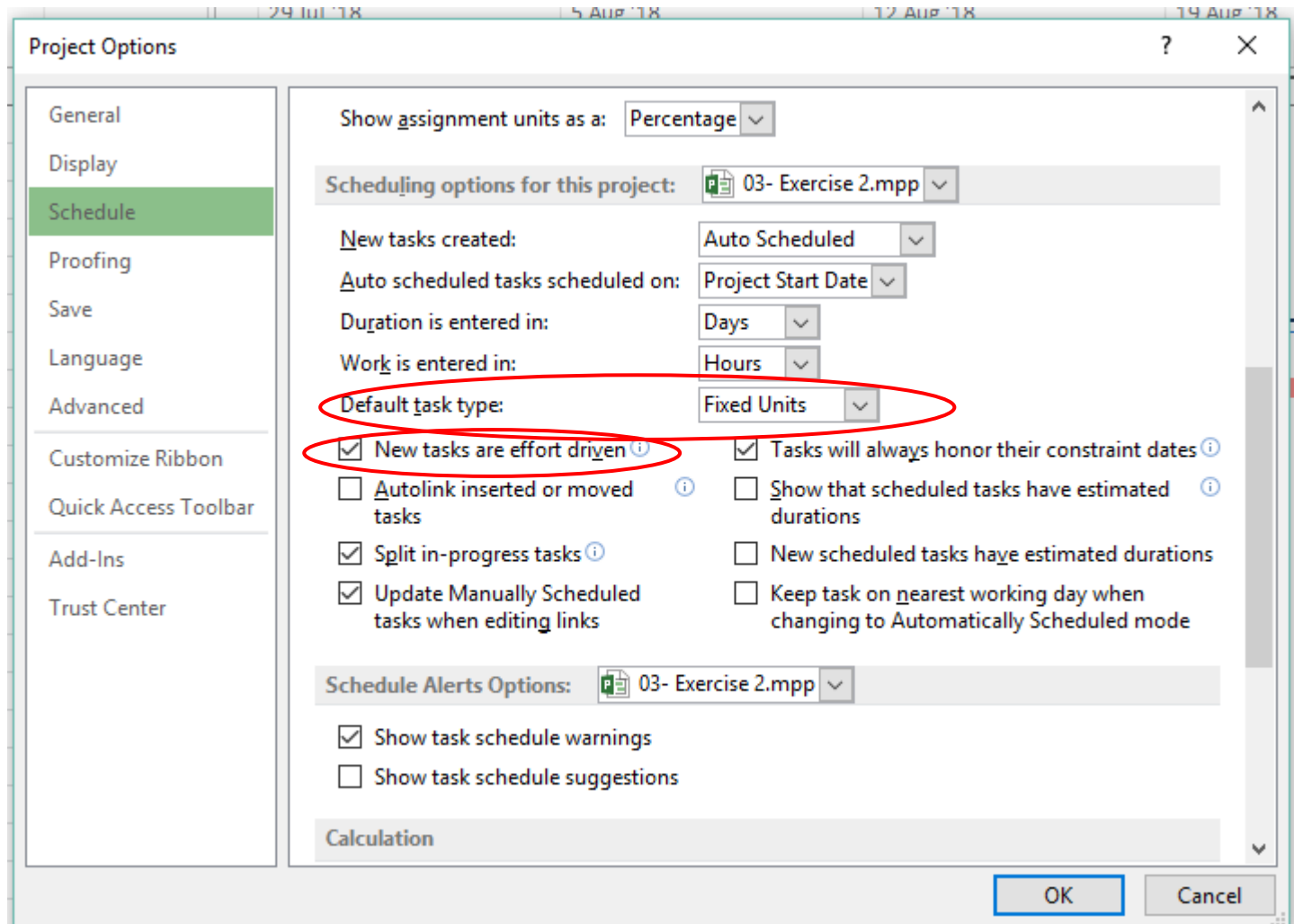
MS Project

Task type:

▶ **Fixed Duration:** A task in which the duration is a fixed value and any changes to the work or the assigned units [that is, resources] don't affect the task's duration.

▶ **Fixed Units:** A task in which the assigned units [or resources] is a fixed value and any changes to the amount of work or the task's duration do not affect the task's units.

▶ **Fixed Work:** A task in which the amount of work is a fixed value and any changes to the task's duration or the number of assigned units [or resources] do not affect the task's work.

In a	If you revise units	If you revise duration	If you revise work
Fixed-unit task	Duration is recalculated	work is recalculated.	Duration is recalculated.
Fixed-work task	Duration is recalculated	units are recalculated.	Duration is recalculated.
Fixed-duration task	work is recalculated.	work is recalculated.	units are recalculated.

MS Project

Effort-driven means that when you assign or remove people from a task, Project lengthens or shortens the duration of the task based on the amount of resource units assigned to it, but it doesn't change the total amount of work for the task. When you add or delete resources on an effort-driven task, work is spread around equally among resources.

- **Fixed Units**: If effort-driven scheduling is turned on for the task, Project adjusts the task's duration when you add or remove resources. If you have the means, adding more people is one option for shortening your schedule.

- **Fixed Duration**: If effort-driven scheduling is turned on for the task, changing resource assignments changes the amount of effort the resources will put in on the task. You may want to consider this option when scheduling a project if you feel the need to lighten the load on some of your people, or if you need to assign some of them part-time to other tasks.

- **Fixed Work**: The Fixed-work task type and effort-driven scheduling both keep the Work value constant, and you cannot turn off the effort-driven setting for a task set as Fixed Work.

Project Planning Steps- Review

✓ Define the problem to be solved by the project

✓ Develop a mission statement and major objectives

✓ Write a scope statement to define the project boundaries

✓ Develop a WBS

✓ Using WBS, estimate activity durations, resource requirement and costs

✓ Create the project plan

✓ Get all stakeholders to sign off on the plan.

Today's Learning Objectives

- Understand the need to plan out project work and have a broad understanding of the project planning process

- Be able to define project boundaries and scope, be able to develop a scope statement

- Basic understanding of project time, cost and resource estimation.

- Understand the importance and role of stakeholders for managing projects.

- Identify project stakeholders and perform a stakeholder analysis

- Understand the importance of project communication plan

- Design a communication plan (what, for whom, when, how, who) for a project

- The logic behind different task types in the MS project